

HB 1123 -- FEDERAL VENDOR OFFSET AGREEMENTS

SPONSOR: Mathews

COMMITTEE ACTIONS: Voted "Do Pass" by the Standing Committee on Ways and Means by a vote of 10 to 1. Voted "Do Pass" by the Select Committee on Financial Institutions and Taxation by a vote of 10 to 0.

This bill allows the Director of the Department of Revenue and the Commissioner of the Office of Administration to enter into a reciprocal collection and offset of indebtedness agreement with the federal government under which the federal government will offset from federal payments to a vendor, contractor, and taxpayer payments for any type of debt owed to the state, and the state will offset from state tax refunds and from payments otherwise due to vendors and contractors providing goods or services to state departments or state agencies non-tax debt owed to the federal government.

Currently, the department has a reciprocal agreement with the United States Treasury to offset income tax overpayments. The department director and the commissioner are also authorized to enter into a reciprocal agreement with any other state to offset from state tax refunds and from payments due to vendors and contractors providing goods or services to state departments or agencies non-tax debt due if the other state extends a similar authority to this state.

PROPONENTS: Supporters say that the bill expands the offset program already in place to allow a reciprocal agreement with the federal government for vendors and customers. Seven states and the District of Columbia already do this. It is estimated to bring in about \$6.5 million in the first year. This is a positive bill for the state.

Testifying for the bill were Representative Mathews and Department of Revenue.

OPPONENTS: There was no opposition voiced to the committee.